



MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM

Pension Actuarial Valuation Results
as of September 30, 2006



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Actuarial Valuation Process

Member Data

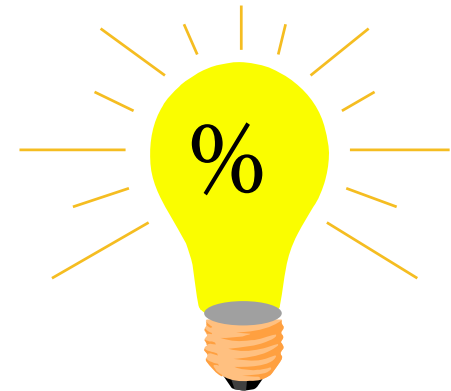


Financial Data



**Actuarial
Valuation**

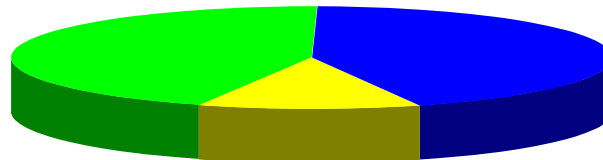
Actuarial Assumptions



Plan Provisions



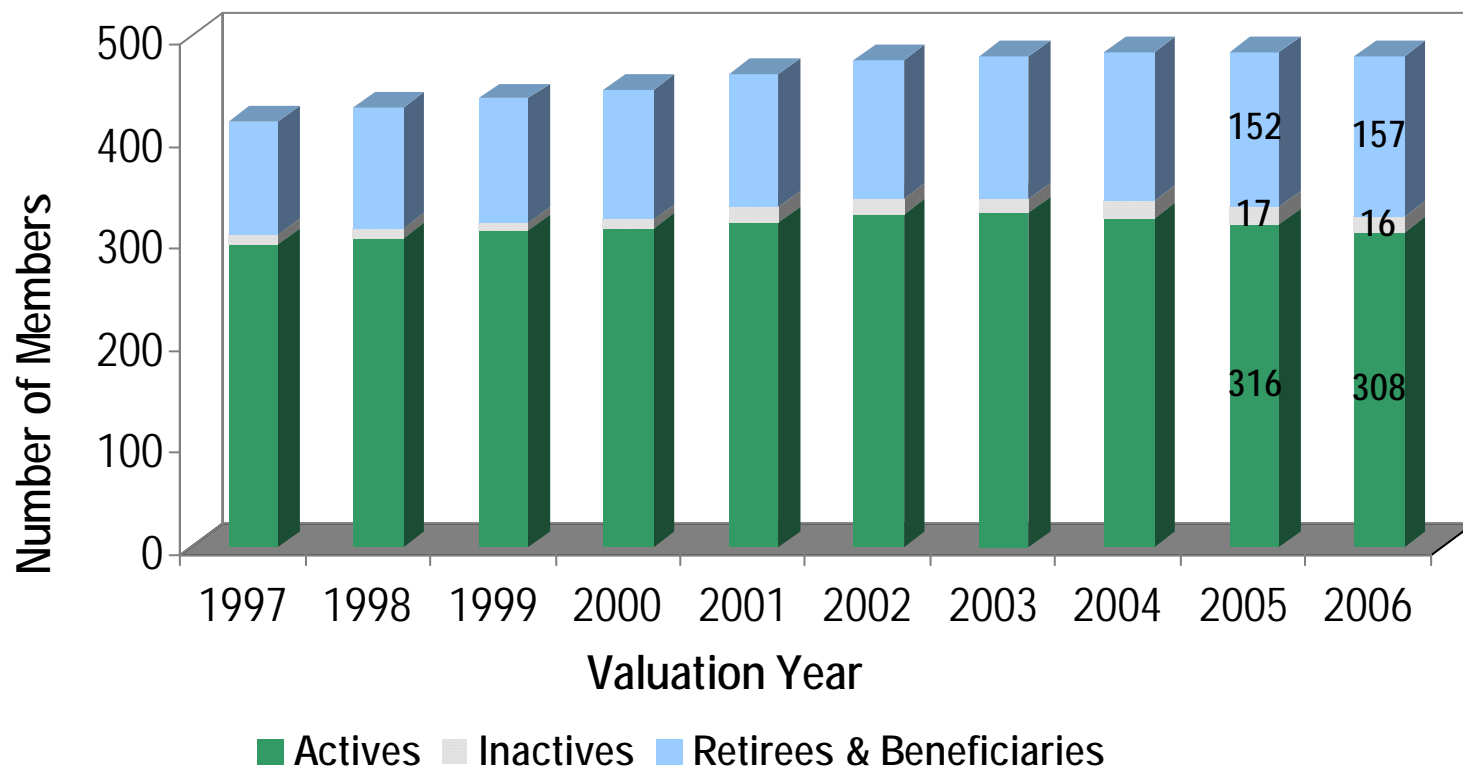
Actuarial Cost Method





Membership Data

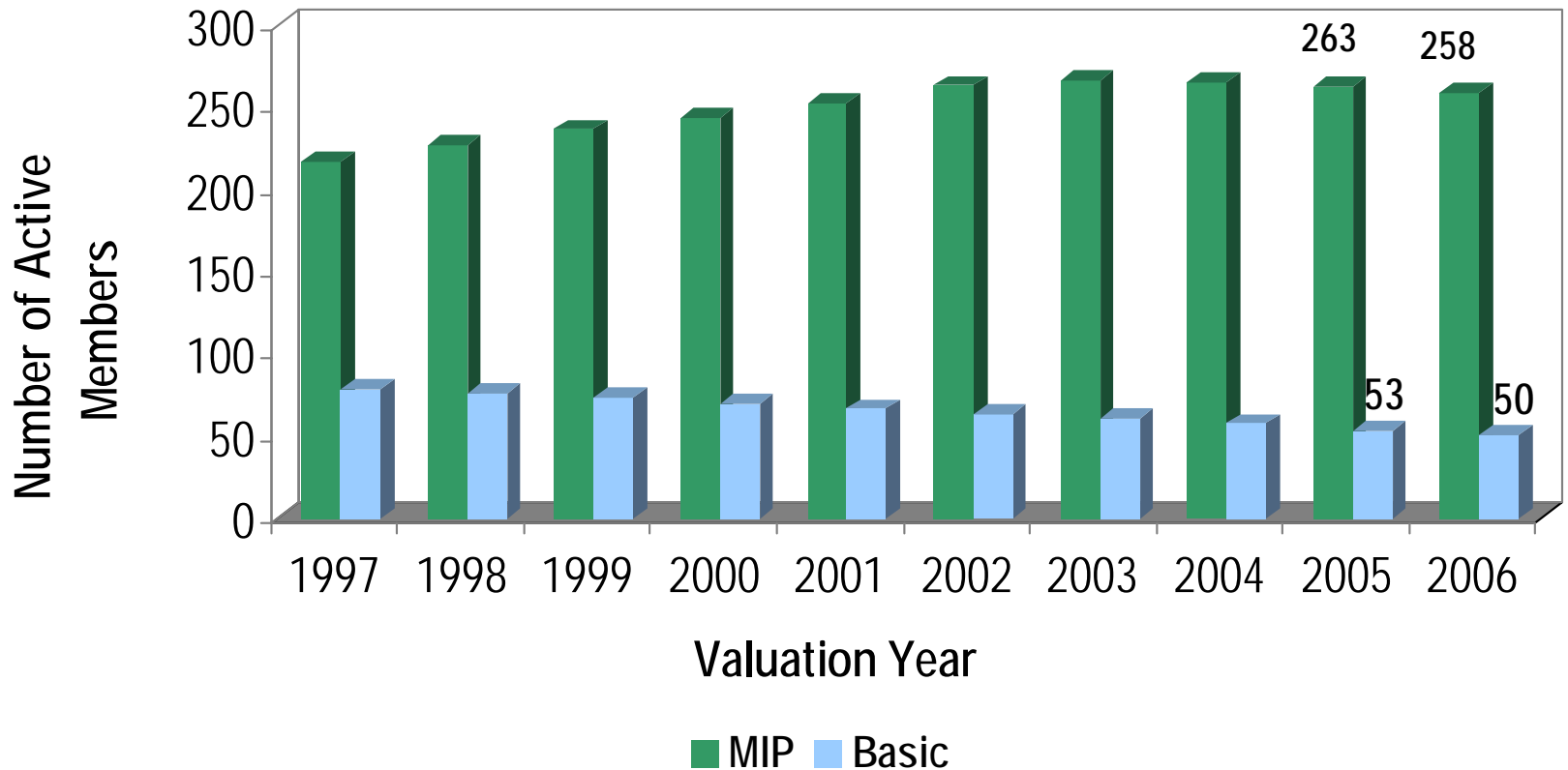
(Counts in Thousands)





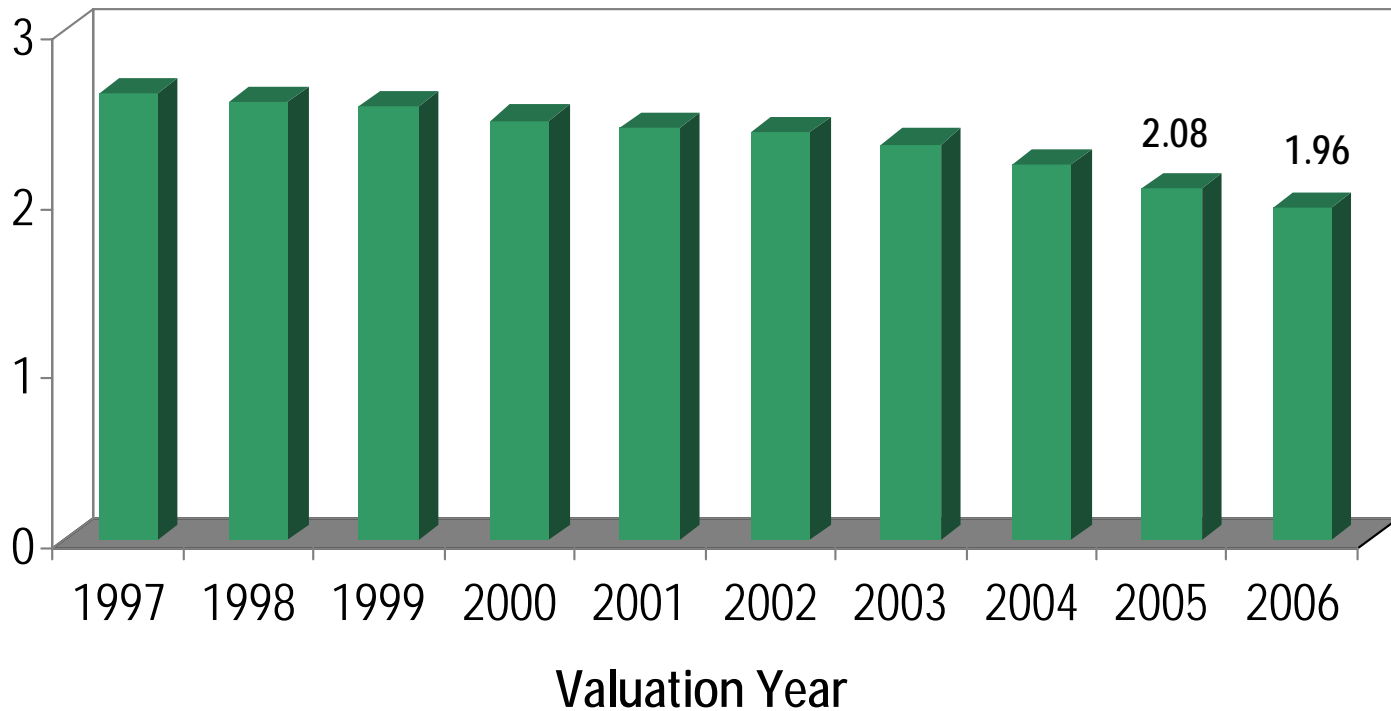
Active Members by Plan

(Counts in Thousands)



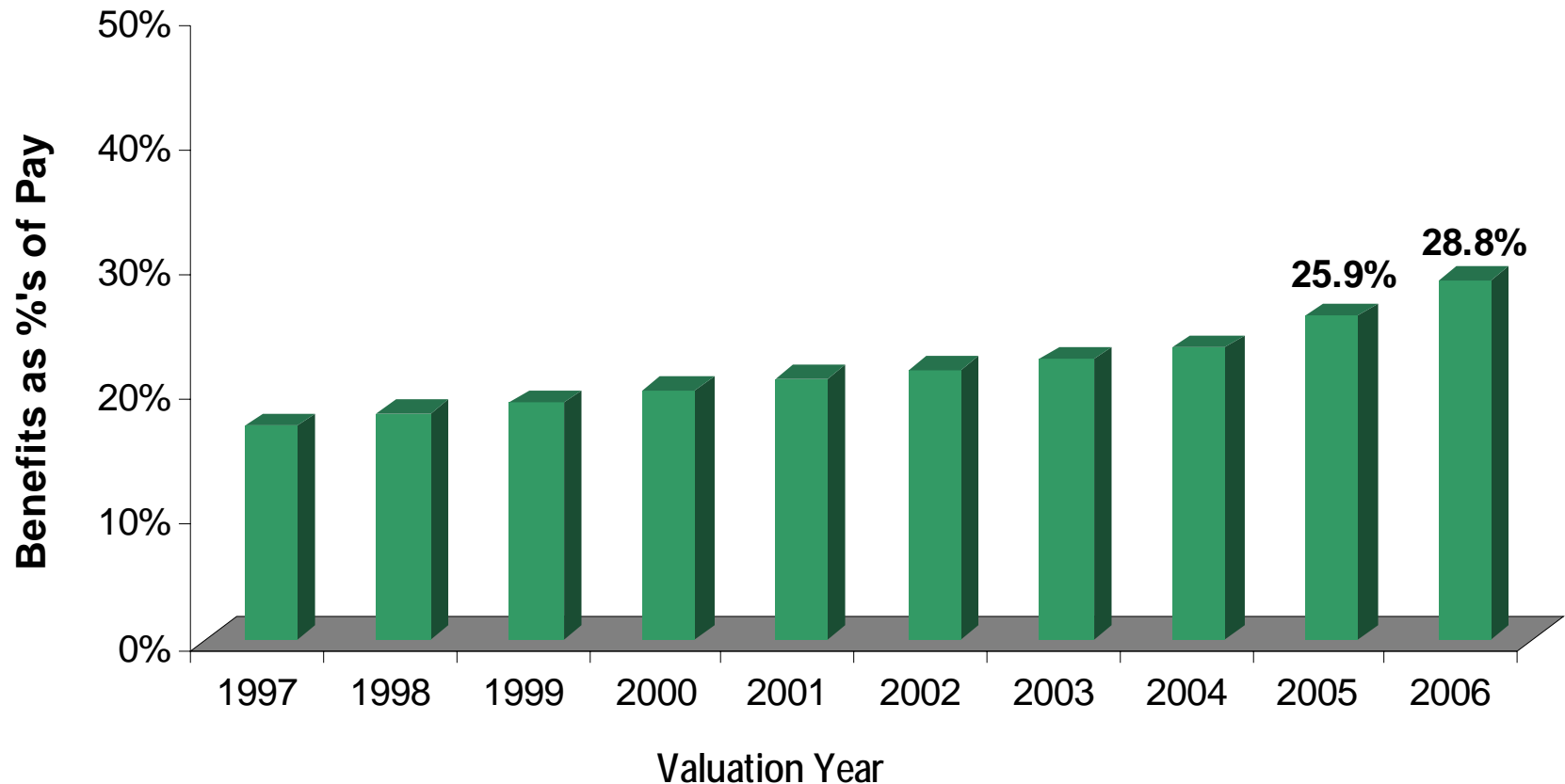


Ratio of Active Members to Pension Benefit Recipients



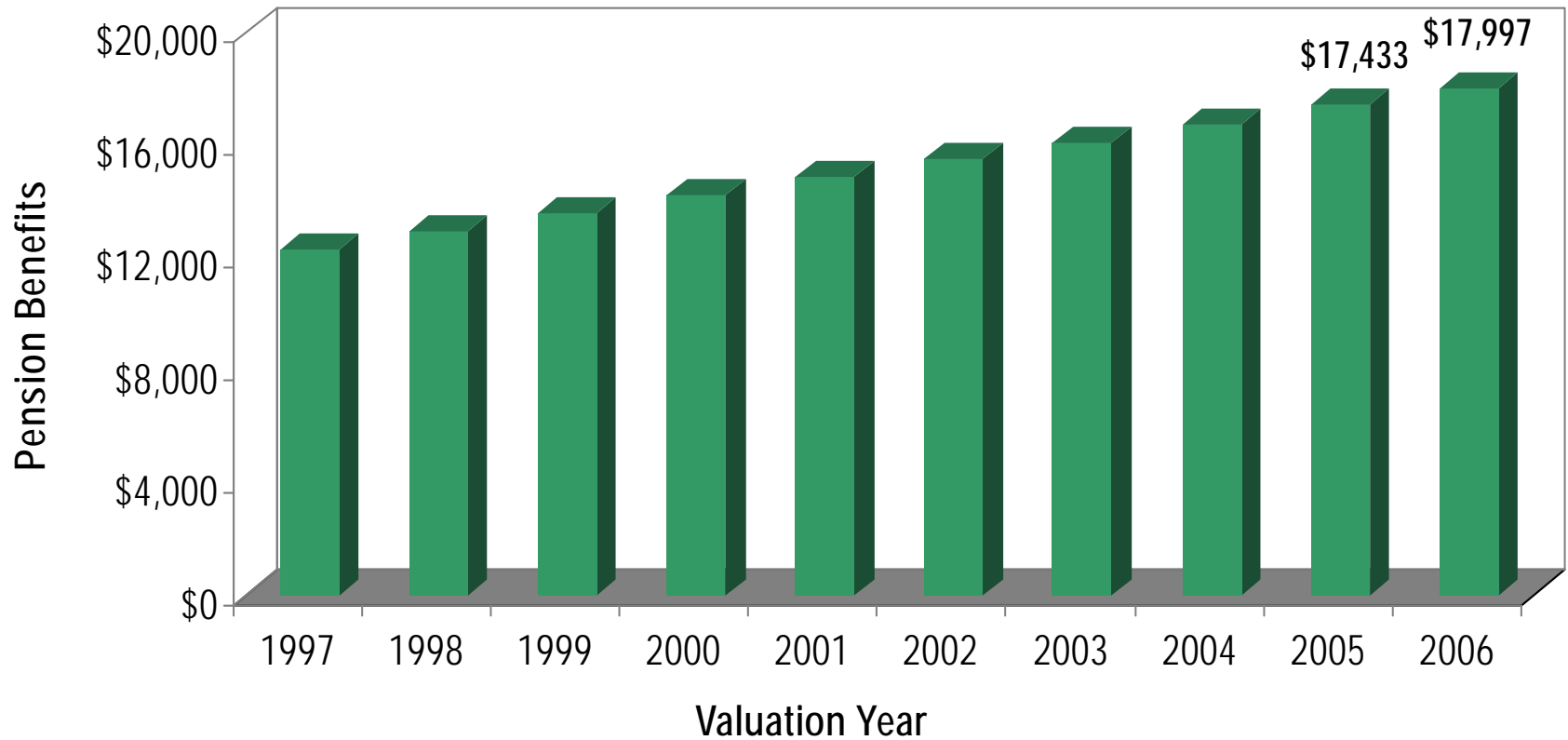


Pension Benefits Expressed as %'s of Active Member Pay





Average Annual Pensions





Benefit Payments by Fiscal Year

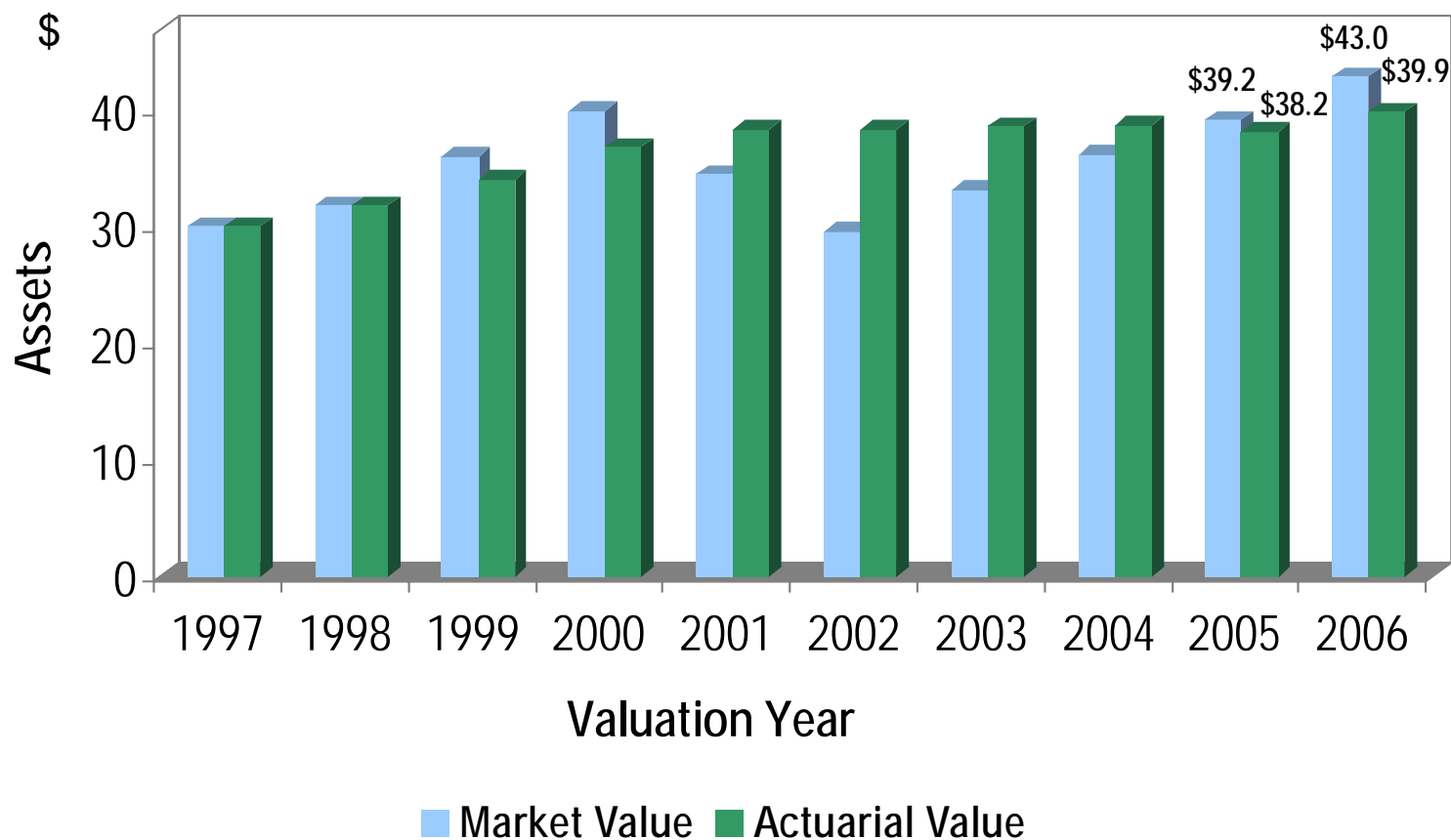
(Amounts in Millions)



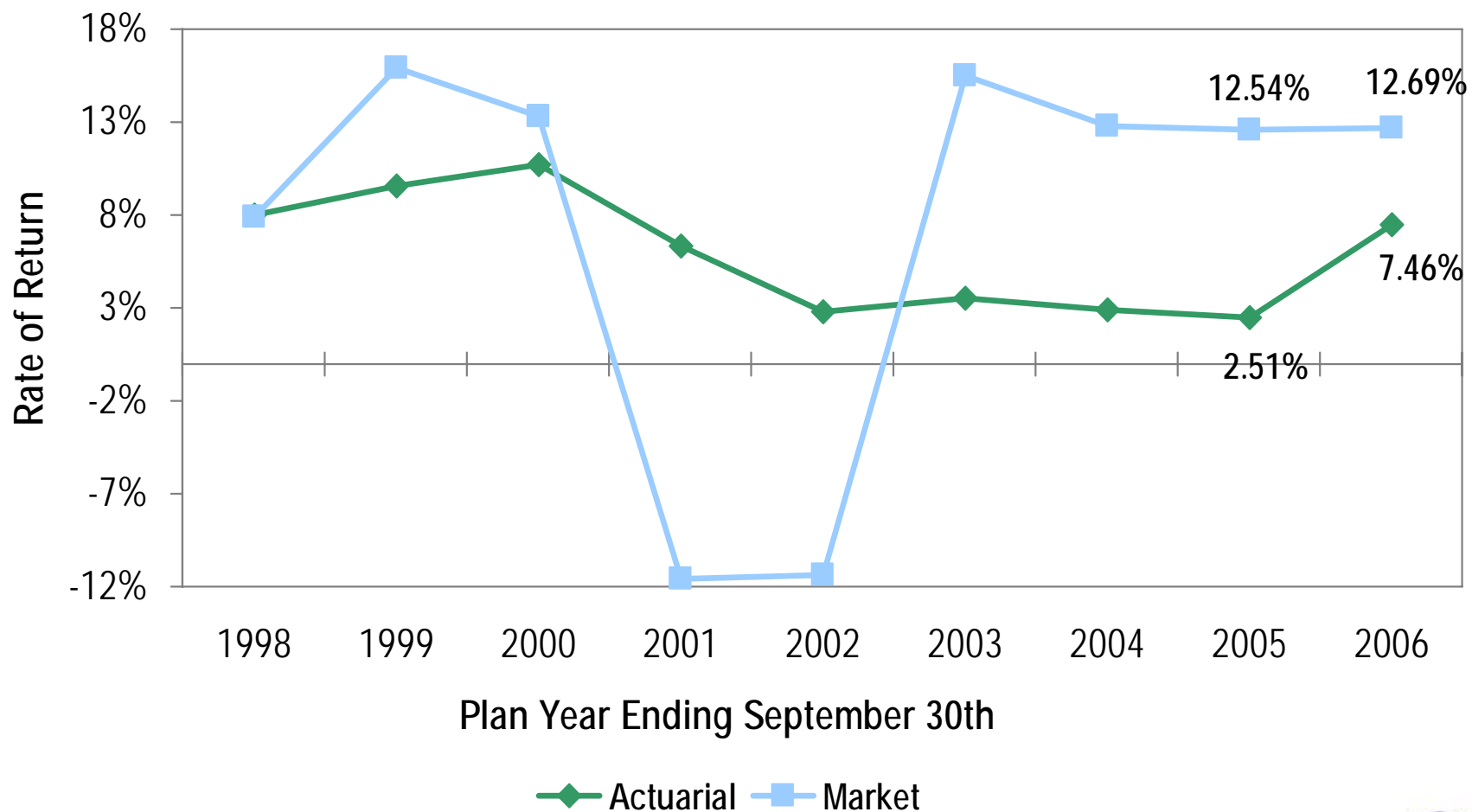


Growth of Pension Assets

(Amounts in Billions)



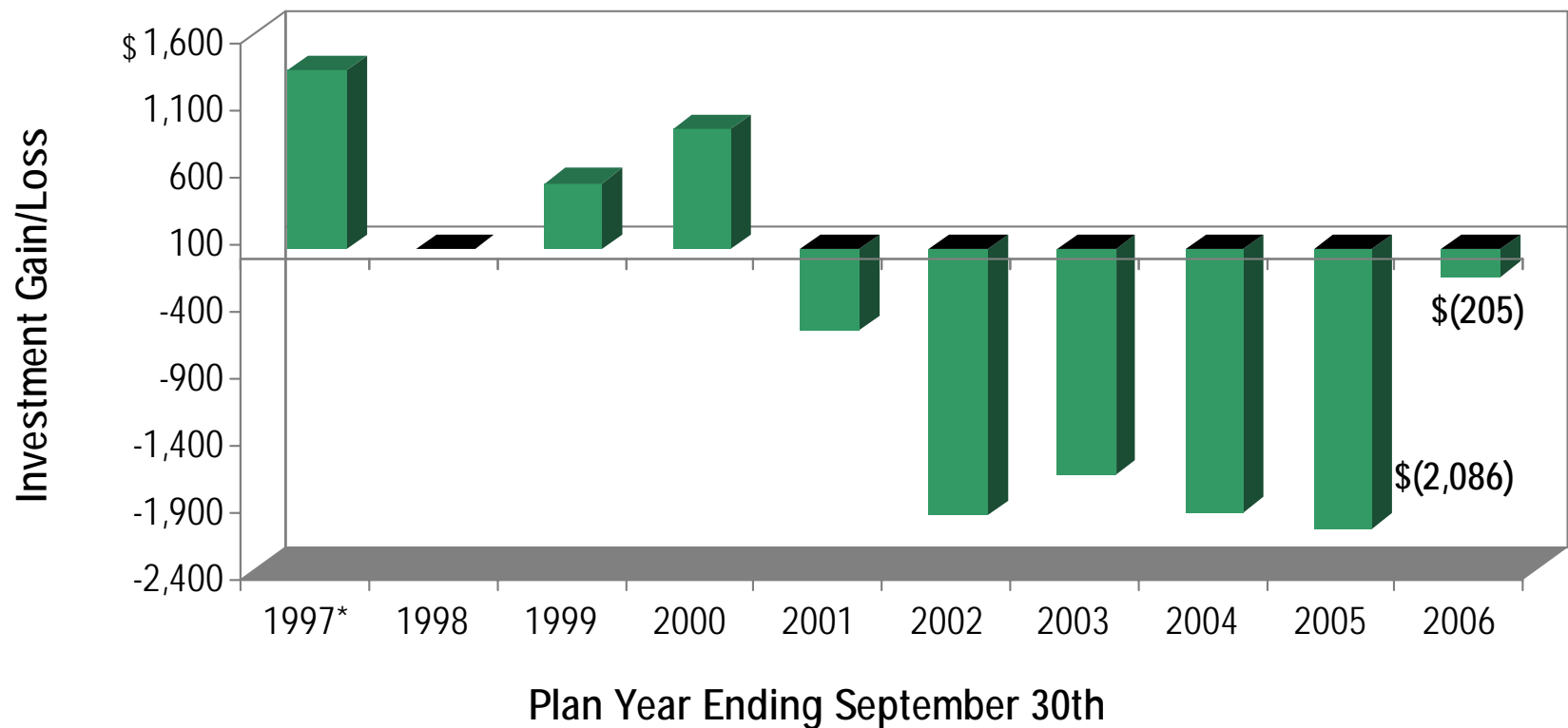
Actuarial & Market Net Rates of Return





Investment Gain/Loss

(Amounts in Millions)

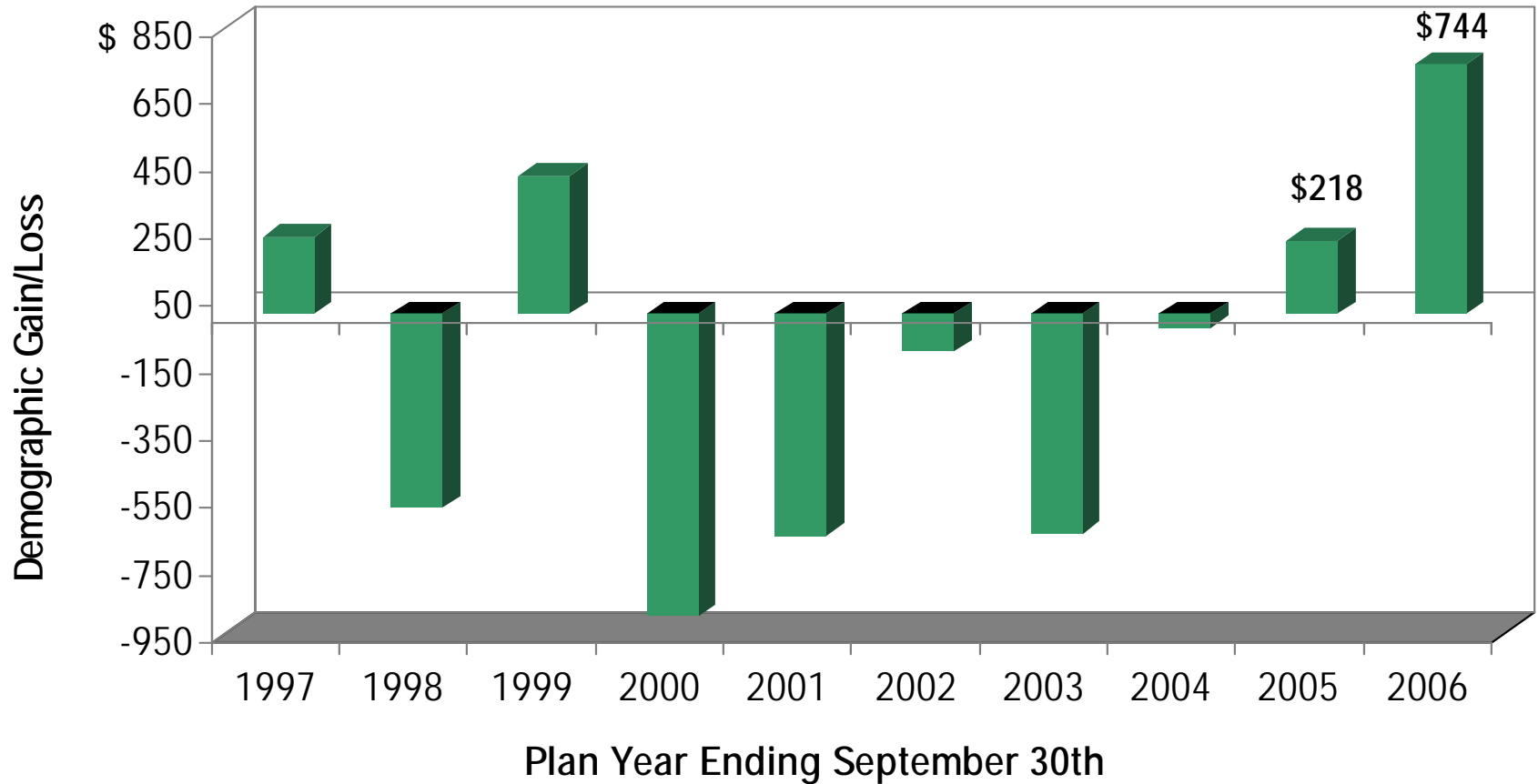


* Plus an additional \$4,566 for 1997 due to write up to market



Demographic Gain/Loss

(Amounts in Millions)





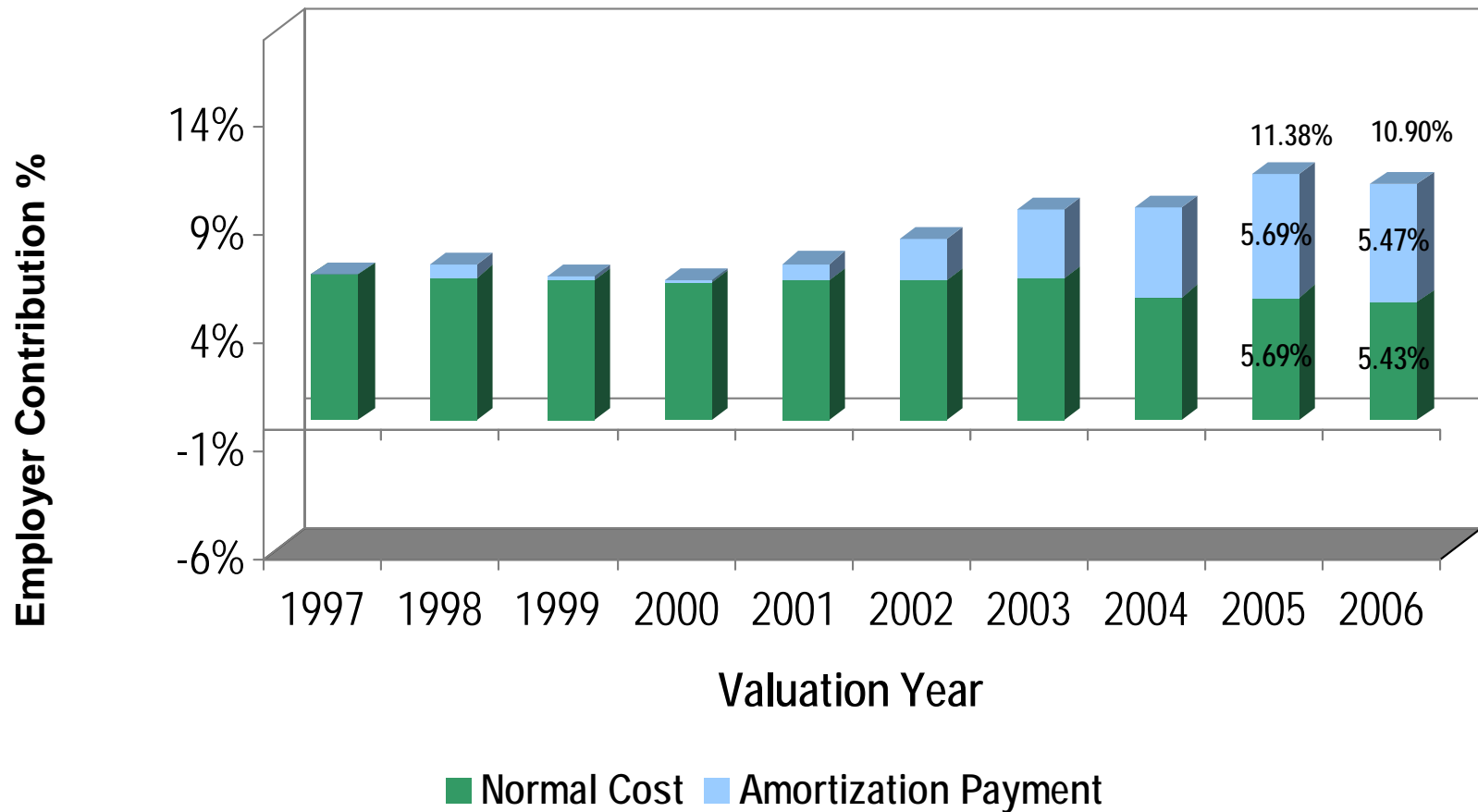
Gain/(Loss) by Type of Activity

(Amounts in Millions)

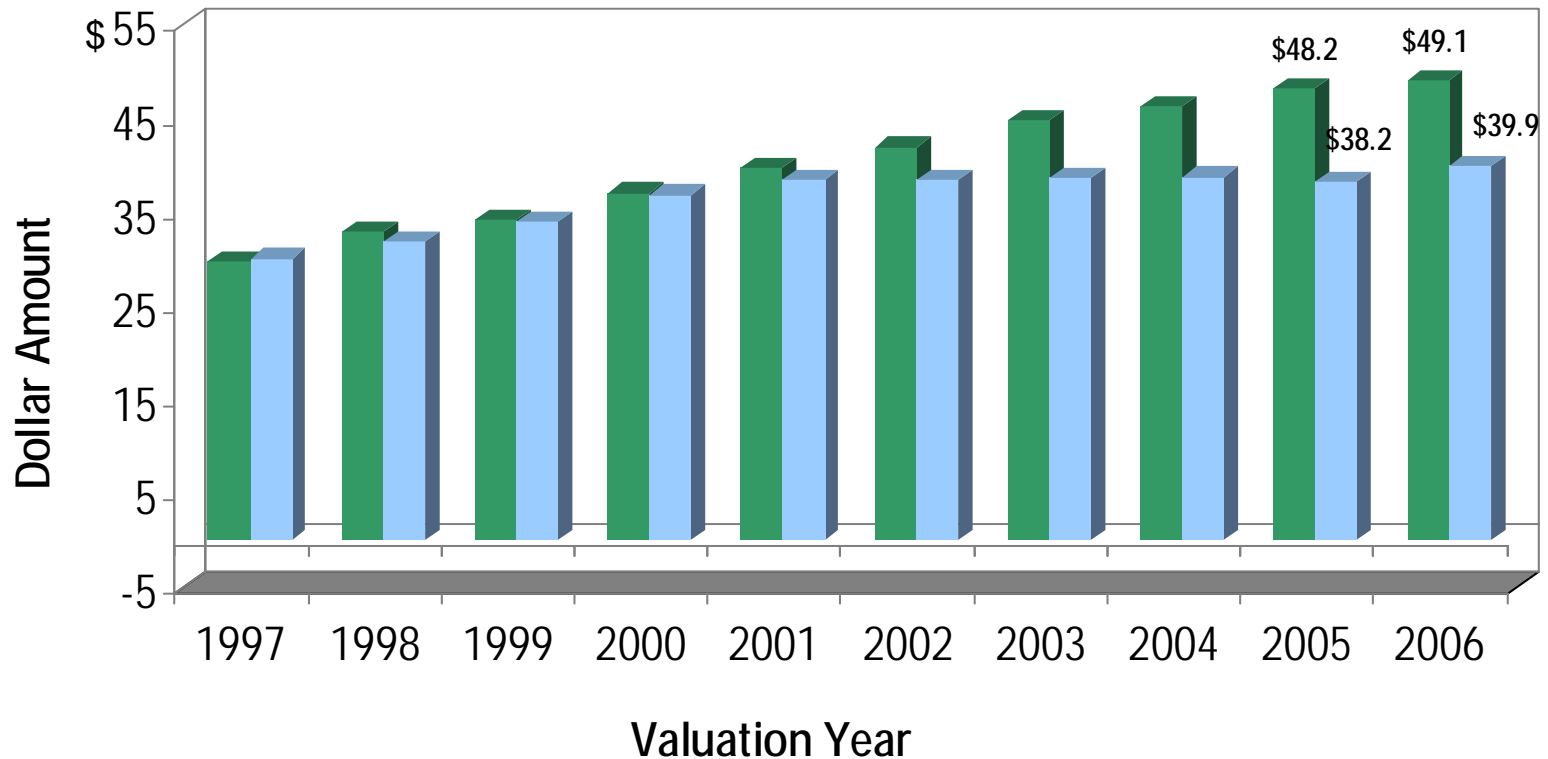
Plan Year					
Ending 9/30	2006	2005	2004	2003	2002
New Entrants	\$ (98.7)	\$ (68.3)	\$ (46.4)	\$ (169.5)	\$ (97.5)
Retiree Deaths	(49.2)	(84.2)	(127.3)	(16.0)	6.2
Investments	(204.6)	(2,085.5)	(1,959.6)	(1,684.1)	(1,984.9)
Pay Increases	691.6	68.7	(162.4)	112.6	29.6
Withdrawal	(5.9)	26.0	43.8	24.8	(115.2)
Retirements	46.2	64.6	12.3	24.0	90.6
Other	160.0	211.1	239.1 *	(628.2) *	(24.7)
Total	539.4	(1,867.6)	(2,000.5)	(2,336.4)	(2,095.8)

* As a result of a change in the reporting of benefit service.

Historical Employer Contribution %'s Valuation as of September 30

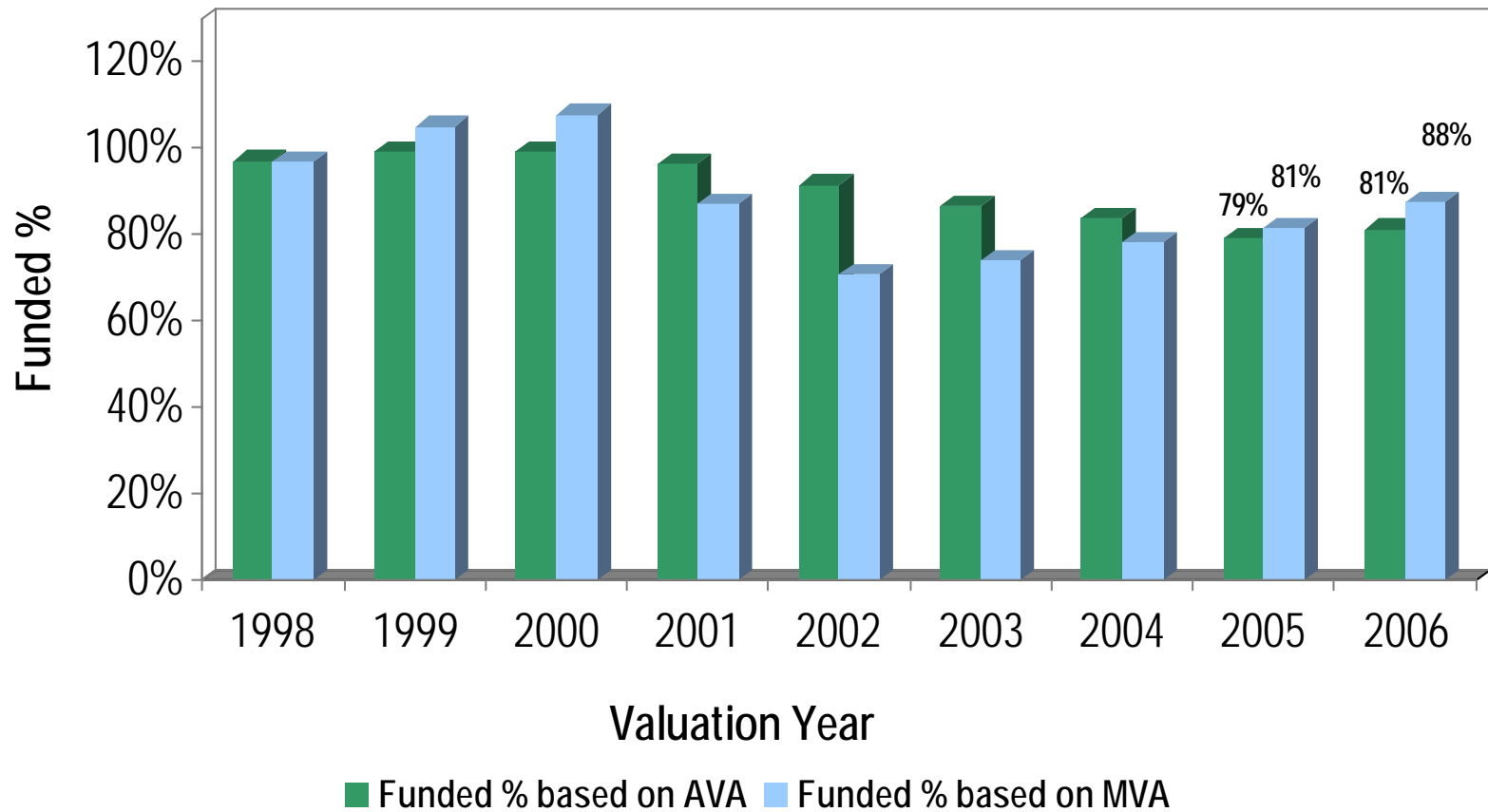


Actuarial Accrued Liability Compared to Actuarial Value of Assets (in Billions)



■ Actuarial Accrued Liability (AAL) ■ Actuarial Value of Assets (AVA)

Retirement System Funded % Based on Actuarial Value and Market Value of Assets



Unfunded as Percentage of Payroll

